

## **NEIGHBORHOOD REVITALIZATION STRATEGY**

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In recent years, the U.S. Department of Housing and Urban Development's (HUD) Office of Community Planning and Development (CPD) has stressed a coordinated marshalling of resources to facilitate entitlement communities' ability to engage in comprehensive community revitalization strategies. Comprehensive community revitalization strategies seek to create partnerships among federal and local governments, the private sector, community organizations and neighborhood residents. HUD seeks to create communities of opportunity in neighborhoods by stimulating the reinvestment of human and economic capital and economically empowering low-income residents.

Through this effort, Entitlement communities may define a Neighborhood Revitalization Strategy Area (NRSA) that meets the threshold for low/moderate income (LMI) residents (55.75% in Cambridge), and that is also primarily residential. Within in this area the City is then afforded much greater flexibility in the use of CDBG funds. The duration of the Strategy is 5 years, and is integrated into the One Year Action Plan and Consolidated Annual Performance Evaluation Reports as component of the City's Community Development Department's activities.

### **Benefits of NRS**

The benefits are described in amendments to the CDBG regulations at 24 CFR 570 which were published in the Federal Register on January 5, 1995 and updated in the final rule changes published in the November 9, 1995, Federal Register. They are as follows:

1. **Job Creation/Retention as Low/Moderate Income Area Benefit:** Job creation / retention activities pursuant to the strategy may be qualified as meeting area benefit requirements, thus eliminating the need for a business to track the incomes of persons that take, or are considered for such jobs (24 CFR 570.208(a)(1)(vii) and (d)(5)(i));
2. **Aggregation of Housing Units:** Housing units assisted pursuant to the strategy may be considered to be part of a single structure for purposes of applying the low/moderate-income national objective criteria, thus providing greater flexibility to carry out housing programs that revitalize a neighborhood (24 CFR 570.208(a)(3) and (d)(5)(ii));
3. **Aggregate Public Benefit Standard Exemption:** Economic Development activities carried out under the strategy may, at the grantee's option, be exempt from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing its record-keeping requirements (24 CFR 570.209(b)(2)(v)(L) and (M)); and

- 4. Public Service Cap Exemption:** Public Services carried out pursuant to the strategy by a Community-Based Development Organization will be exempt from the public service cap (24 CFR 570.204(b)(2)(ii)).

### The Neighborhood Revitalization Strategy Area

The NRSA the City has selected is consistent with HUD guidelines, and has been approved by HUD staff. The area is centered on the Central Square district, and radiates out to include portions of the Riverside, Cambridgeport, Area Four, East Cambridge and Wellington/ Harrington Neighborhoods. The NRSA extends from the Charles River (in the Riverside and Cambridgeport Neighborhoods) to the Somerville border (in the Wellington / Harrington Neighborhoods). This area represents predominately residential neighborhoods, and includes the highest populations of low/moderate income and minority residents. Though the area is large and extends beyond several City defined Neighborhoods, it represents a large contiguous area of residents who all face similar challenges. The demographic data used in determining the NRSA is based upon 1990 U.S. Census Block Group data. The following chart shows all Block Groups included in the NRSA and the relevant demographic data:

Census Tract	Block Group	TOTAL Area	RES Area	% RES	TOTAL Pop.	LOW/MOD Pop.	% LOW/MOD
3522	1	766,626	490,934	64.0%	1,616	914	56.6%
3524	1	863,685	295,097	34.2%	544	318	58.5%
	3	1,376,266	762,108	55.4%	1,482	1,390	93.8%
3525	1	820,128	700,215	85.4%	1,219	514	42.2%
	2	271,818	174,431	64.2%	387	235	60.7%
	3	564,796	509,182	90.2%	999	620	62.1%
3526	1	888,021	558,637	62.9%	1,412	730	51.7%
3527	1	409,220	300,847	73.5%	741	261	35.2%
	2	240,741	112,047	46.5%	732	544	74.3%
	3	281,195	223,338	79.4%	643	309	48.1%
3530	1	584,876	304,000	52.0%	674	230	34.1%
	2	1,152,253	656,130	56.9%	1,076	454	42.2%
	3	959,760	382,194	39.8%	1,545	1,038	67.2%
3531	2	1,421,990	292,668	20.6%	934	559	59.9%
	3	1,451,311	261,694	18.0%	646	361	55.9%
3532	1	1,830,335	514,801	28.1%	929	527	56.7%
	2	1,203,530	439,275	36.5%	740	428	57.8%
	3	1,205,442	674,051	55.9%	995	415	41.7%
3533	1	760,730	653,908	86.0%	1,007	428	42.5%
	2	768,876	656,363	85.4%	1,157	645	55.7%
	3	764,603	729,406	95.4%	962	435	45.2%
	4	772,743	250,877	32.5%	325	142	43.7%
3534	1	1,183,437	516,972	43.7%	961	546	56.8%
	2	1,094,027	717,372	65.6%	1,204	729	60.5%
3535	1	620,548	515,350	83.0%	921	433	47.0%
	2	742,754	538,275	72.5%	991	622	62.8%
	3	359,143	348,888	97.1%	503	219	43.5%
3539	1	831,740	370,461	44.5%	604	396	65.6%
	2	592,206	173,744	29.3%	1,377	809	58.8%
<b>TOTALS</b>		<b>24,782,800</b>	<b>13,123,265</b>	<b>53.0%</b>	<b>27,326</b>	<b>15,251</b>	<b>55.8%</b>

**Overall Goals and Objectives For Cambridge's NRS:**

The City of Cambridge will seek to utilize the benefits afforded by the proposed NRS in Housing and Economic Development initiatives. The proposed activities for fiscal year 2003 are as follows:

- ◆ **Retail Best Practices Program**
- ◆ **Empowerment Through Financial Literacy**
- ◆ **Health Care Training and Advancement Program**
- ◆ **Bio-Medical Training Program**
- ◆ **Affordable Housing Stabilization through HIP / RAP**
- ◆ **Earned Income Tax Credit / Food Stamp awareness initiative through the Human Services Department**

<b>Programs</b>	<b>FY03 Anticipated</b>	<b>5 Year Goal</b>
<b>Economic Development</b>		
Retail Best Practices	2 to 5	26
Financial Literacy	30	210
Health Care	<i>pre-development</i>	
BioMed	5 to 7	25 to 35
<b>Affordable Housing</b>		
Stabilization through HIP	40 to 45	225

## **ECONOMIC DEVELOPMENT**

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### **Objective #1:**

**To cultivate a supportive environment for entrepreneurship, the Economic Development Division will enhance the growth of NRS area businesses by stabilizing income eligible micro-enterprises with business development services.**

### **Number of NRS Businesses/Individuals to be Served:**

The Department will continue its support of Cambridge small business by contracting with non-profit organizations and other contractors to provide pre-business and business development educational services for low and low-moderate income micro businesses through workshops, seminars, class series and in-house consultations.

In FY 2003 the City expects 56 income eligible micro-enterprises to be served through workshops, classes and in-house consultations conducted by sub-recipients and/or contractors:

- Financial Literacy Program: 30 NRS area residents served
  - *Long-term goal: 15 micro-enterprise business started*
- Best Retail Practices Program: 26 NRS area micro-enterprises served
  - *Long-term goal: An increase in sales volume and profitability, leading to job creation.*

### **Expected Resources:**

- ***Federal Funds***  
FY03 Community Development Block Grant  
Prior year CDBG funds
- ***Local Funds***  
Local Taxes
- ***Private Funds***  
Local and Regional Banks  
Sponsorship  
Business Owners  
Other

### **Strategies and Resources:**

- **Best Retail Practices Program:** This program was established in September 2001 to assist low-mod income micro-enterprise independent retail and restaurant owners to boost their sales, grow their businesses with a goal of hiring additional

low-mod income employees. The program provides participants with expert advice on improving the interior design of their establishments and developing better marketing plans. The three-month program will run two times during FY03.

In FY03, the goal of the program is to serve a total of 26 participants in the three-part program: Phase I – Workshop, Phase II – In-store Consultations and Phase III Grant Assistance Program.

This strategy is supported by CDBG funds, a matching grants program, local taxes and by community business owners.

- **Community Development Block Grant Program:** The City of Cambridge is an entitlement City that annually receives a direct allocation of CDBG funds that can be used to fund a variety of activities, which includes economic development, design and construction oversight of parks, playground renovations, housing services, and housing development. Cambridge expects to receive \$3,856,000 in CDBG funds for FY2003.
- **Financial Literacy Training:** This program is designed as a pre-development, pre-entrepreneurship program for residents of the NRS area. The goals of the Agency will be to reach and serve residents who may have an interest in micro-enterprise as an alternative or supplement to employment; to teach clients about financial resources and money management and to identify candidates for the Agency's existing programs that help entrepreneurs plan for and start businesses. The Agency will experiment with class offerings, initially offering one or two-session workshops on financial basics and develop future offerings that build the clientele's financial literacy and help interested clients prepare for entrepreneurship. Based on clientele needs and interest, the workshops will cover topics such as basic banking; budgeting and meeting financial goals, including saving to open a business; investments and credit and credit repair.

Outreach and marketing activities will include the Agency developing partnerships with other local agencies to help identify residents or micro-business owners needing financial literacy training; door-to-door program flyering in the NRS area, notices to community calendars in local and area newspapers, and public service announcements on local cable TV and radio stations.

The program is expected to attract 30 residents in year-one, ramping up to 42 – 48 in years 2 through 5. The Long-term goal is for 15 micro-enterprise businesses to be started in the future by program participants

**Objective #2:**

**Support efforts to sustain a diverse array of employment opportunities accessible to NRS area residents, as well as employment mobility, through training and job-placement initiatives focused on the BioTech and Healthcare industries.**

**Number of NRS residents to be Served:**

**Biomedical Program**

In FY03, the goal of the Biomedical Program is to train 5 to 7 residents from the NRS area. The City is in possession of a CBCP course description and curriculum and will receive a class schedule when it is published, prior to the beginning of the year. The Program has a one-year cycle comprised of recruitment, 9 months of training and job placement.

- ***Long-term goal: 100% job-placement rate for NRS residents who complete the training.***

**Healthcare Alliance Program**

This program is currently in pre-development. In FY03 the goal is to conduct ongoing meetings with the Cambridge Health Alliance in order to coordinate efforts and establish goals for an FY04 program start date. The City expects the FY04 goal to be the selection of 22 NRS area residents from an applicant pool of 50. The coursework will be tailored to the skill level of the selected applicants, and will be performed and hosted by the following sub-contractors: Cambridge Health Alliance, Bunker Hill Community College, Career Source and Community Learning Center.

- ***Long-term goal: Empowerment and career advancement for all participating NRS residents through the acquisition of elevated job skills and effective job placement.***

**Expected Resources:**

- ***Federal Funds***  
Prior year CDBG funds
- ***State Funds***  
State Taxes
- ***Local Funds***  
Local Taxes
- ***Private Funds***  
Polaroid/Boston Foundation  
Individual Training Accounts  
Private Fundraising

## Strategies and Resources:

- **Biomedical Program – Just A Start Corporation:** The Biomedical Program will build upon the Cambridge Biomedical Careers Program (CBCP) operated by a local non-profit, Just A Start Corporation, expanding training opportunities for residents of the City's NRS area. CBCP qualifies program graduates for entry-level jobs in the biomedical field and in local biotechnology companies. To qualify for the Biomedical Program, a participant must be a resident of the City's NRS area.

Just A Start will track the outcome of these trainings to the participant served using Outcome Measurements below. The tracking will consist of maintaining case files on participants with academic and lab skills test scores, career planning activities, tutoring activities and job placement efforts, as well as follow-up phone calls to participants and employers regarding participants' assimilation and job performance, after the participant is placed in a job.

The program consists of nine months of academic classes, laboratory training, job-readiness classes, and counseling followed by job placement assistance. The program includes college level classes and tutoring in biology, chemistry, biochemistry, medical terminology, computers, and laboratory techniques. Classes are held at JAS and Bunker Hill Community College (BHCC), locations close to public transportation and easily accessible to the NRS participants. Graduates are eligible for up to 18 college credits for BHCC and upon fulfillment of all requirements, receive a certificate from JAS and BHCC. The program runs once per calendar year.

In addition, career planning and job placement are an integral part of the program. Since the program began, forty-four area companies have hired almost 100 graduates as employees, temps, or interns. Job titles of graduates have included the following:

Laboratory Technician, Research Assistant, Animal Care Technician, Manufacturing Technician, Quality Control Technician, Process Technician, Purification Technician, Phlebotomist, Medical Assistant, and Pippette/Glass Cleaner.

The curriculum is constantly being evaluated by JAS and experts in the biomedical field to ensure its relevancy to real world application.

- **Community Development Block Grant Program:** The City of Cambridge is an entitlement City that annually receives a direct allocation of CDBG funds that can be used to fund a variety of activities, which includes economic development, design and construction oversight of parks, playground renovations, housing

services, and housing development. Cambridge expects to receive \$3,878,000 in CDBG funds for FY2003.

- **Health Care Program:** This Program is currently in the pre-development stage. The Program will be designed to enhance the mobility of NRS area residents within the Cambridge Health Alliance Network. The program will focus on taking entry-level employees and, through an assessment of their existing skills and competencies, place them on a pathway that will lead to job advancement that is tailored to their abilities. These pathways will also mirror existing needs in the Cambridge Health Alliance, thereby assuring job placement while creating an internal pipeline of employees to fill need areas. The NRS area residents that are selected will receive language, computer and job specific training based on their own relative starting point, making the Program more efficient in cost and applicable and useful to the resident's needs.

The Health Alliance will recruit NRS area residents and select from this pool of applicants. This process will help to ensure that the best candidates are selected and will help to maximize the benefit the program delivers.

The participants will maintain their employment during the course work, and upon completion, will move into areas of need that will provide better pay and sense of accomplishment.

The program will begin under a 2 year contract and will be evaluated after 11 months to assess effectiveness and participation vis a vis stated goals and objectives.

This Program would benefit incumbent workers within the CHA system who would be prepared for existing jobs in **key shortage areas**.

Each participant would be tested and placed in the program as their test score and assessment indicates.

This program will aim to meet the participants at their **point of need** by providing three different training programs based on an initial needs assessment. All employees will be tested via Language and Academic Proficiency Examinations to assess their point of Program entry. This allows CHA to run the program in a concentrated, cost-effective manner – while allowing them to more flexibility in managing CHA's staffing needs and budget constraints (see attached).

**The program will contain 3 modules:**

- **Level 1** Developing the Foundation, ie Basic ESL



- **Level 2** College Preparation, ie Basic Math, Reading & Writing Skill Development
- **Level 3- A** - Launching into College i.e., College Writing, College Algebra, Principles of Biology I.
- **Level 3- B** – Career Specific Training Courses

This program will provide a key service to BOTH Cambridge NRS Area residents AND the Cambridge Heath Alliance in that a “pipeline” of employees is being established within the City’s most financially challenged neighborhoods. As well as “empowering” workers to attain more gainful employment within CHA’s system, it will also establish an even greater incentive for CHA to hire from within Cambridge’s highest-need neighborhoods

## **AFFORDABLE HOUSING**

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### **Objective:**

**Continue to stabilize owner-occupied one-to-four family buildings owned by very low, low and moderate-income households.**

### **Number of Households to be Served:**

Over the Five-Year Strategy Period, the City of Cambridge will seek to stabilize 225 homeownership units through the rehabilitation of one-to-four family owner occupied buildings in the Neighborhood Revitalization Strategy Area through its Home Improvement Program (HIP) to be contracted out through existing housing non-profits such as Just-A-Start and HRI. In Fiscal 2003, the City will rehabilitate 40-45 of these units. Such development activity will be influenced by factors beyond the City's control, such as market conditions. The majority of HIP funds are used city-wide to assist owners with annual incomes between 50-80% of area median income. The NRS, however, will allow HIP to expend funds on residents who earn between 80-120% of area median income so as to stabilize and maintain the city's economic diversity and prevent middle-income flight. Units for residents who earn between 80-120% of area median income may not exceed 49% of the total units serviced in the NRS area. To maintain the socio-economic diversity of Cambridge, assistance is limited to households that meet CDBG income requirements. Multi-family properties must be the primary residence of the owner who is receiving assistance. (Note: these goals are based on the Community Development Department's annual production goals)

<b>Number of Households to be Served:</b>		
	<b>First Year (FY 2003)</b>	<b>5 Year Total</b>
<b>Residents Earning 50-80% of Area Median Income</b>	<b>20 - 25 Units</b>	<b>125 Units</b>
<b>Residents Earning 80-120% of Area Median Income</b>	<b>20 Units</b>	<b>100 Units</b>
<b>Total:</b>	<b>40 - 45 Units</b>	<b>225 Units</b>

### **Expected Resources:**

#### ***Federal Funds***

Community Development Block Grant  
HUD Lead Clearance Testing Grants  
Lead-Based Paint and Hazard Reduction Program

***State Funds***

Massachusetts Housing Finance Agency MHFA “Get the Lead Out” Program

***Local Funds***

Private Lenders: East Cambridge Savings Bank

**Strategies:**

**Community Development Block Grant Program:** The City of Cambridge is an entitlement City that annually receives a direct allocation of CDBG funds that can be used to fund a variety of activities which includes economic development, design and construction oversight of parks, playground renovations, housing services, and housing development. The majority of the City's CDBG funds are used for housing development activities and services. Housing development activities include acquisition, rehabilitation, and new construction of affordable housing by non-profit housing development agencies in Cambridge. CDBG funds are also used to fund a variety of housing services and activities, including case management, tenant and landlord mediation services, homelessness prevention and other services for the homeless. Cambridge expects to receive \$3,856,000 in CDBG funds for FY2003.

**Home Improvement Program:** Cambridge's Home Improvement Program (HIP) gives technical assistance and reduced rate loans to low-income owners of one-to-four family buildings. Funded primarily through CDBG and revolving loans, the program is operated by two agencies, Just-A-Start Corporation, and Homeowner's Rehab Inc., under contract with the Community Development Department.

**HUD Lead Clearance Testing Grants:** In February 2002, HUD announce the availability of \$10 million in Lead Clearance Test Funds, to be used over a 12 month period, by CDBG and HOME grantees. The funds will help pay for clearance testing that is required by Title X of the Housing and Community Development Act of 1992, as implemented at 24 CFR Part 35. HUD is providing this funding to eligible grantees by paying up to \$150 for the initial clearance test in each housing unit after lead hazard control activities. The City will endeavor to utilize the available funds to assist non-profits in offsetting rehab costs associated with lead removal.

**Lead-Safe Cambridge:** The City of Cambridge received funds under this program in July 1994. These funds resulted in the deleading of 221 affordable housing units. The City received an additional grant in 1997 and de-leaded another 108 units. In 1999, the City received a third grant under which another 135 affordable units will be completed by October 2002. Since 1994, over 560 units have been de-leaded. Currently, the City is preparing for a new application for grant funds for \$2.8 million to continue the program beyond October 2002.

**Rehab Assistance Program:** The Rehab Assistance Program (RAP) is funded via CDBG and private sources. The program provides training and education for youth rehab and deleading crews, which provide labor for the Home Improvement Program.